

WALLER, SMITH & PALMER, P. C.

TRACY WALLER (1862-1947)
J. RODNEY SMITH (1906-1979)
BIRDSEY G. PALMER (RETIRED)

WILLIAM W. MINER
ROBERT P. ANDERSON, JR.
ROBERT W. MARRION
HUGHES GRIFFIS
EMMET L. COSGROVE
EDWARD B. O'CONNELL
MARC E. GINSBERG
FREDERICK B. GAHAGAN
LINDA D. LOUCONY

WADE D. JENSEN
IVY M. MARGULES
JAMES L. YOUNG, JR.*
PHILIP M. JOHNSTONE
CHERYL V. HELMS

*ADMITTED IN OREGON ONLY

COUNSELORS AT LAW
52 EUGENE O'NEILL DRIVE
P. O. BOX 88
NEW LONDON, CONNECTICUT 06320

TELEPHONE (203) 442-0367
TELECOPIER (203) 447-9915

WALLER & WALLER
1885 - 1903
WALLER, WALLER, AVERY & GALLUP
1904 - 1934
WALLER, GALLUP & ANDERSON
1935 - 1942
WALLER, TROLAND, ANDERSON & SMITH
1943 - 1945
WALLER, ANDERSON, & SMITH
1946 - 1952
WALLER, SMITH & PALMER
1953 - 1979

SUZANNE DONNELLY KITCHINGS
12 NORTH MAIN STREET
ESSEX, CONNECTICUT 06426
TELEPHONE (203) 767-1333
OF COUNSEL

January 5, 1988 1 5462

JAN 11 1988 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

1-11-88
10:00

100 Washington, D. C.

Letter of Transmittal

Noreta McGee, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Re: Documents for Recordation Pursuant to 49 U.S.C.A.
Section 11303

Dear Ms. McGee:

Enclosed please find an original and one certified true copy of the document described below, for recording pursuant to 49 U.S.C.A., Section 11303. This document is a Security Agreement evidencing the mortgage of railroad cars, a primary document, dated January 4, 1988.

The names and addresses of the parties to the document are as follows:

<u>Grantor/Guarantor:</u>	Sonoco Service, Inc. 185 South Road Groton, Connecticut 06340
<u>Debtor:</u>	Aggregates, Inc. Rixtown Road Griswold, Connecticut 06351
<u>Secured Party:</u>	New England Savings Bank 63 Eugene O'Neill Drive New London, Connecticut 06320

For purposes of this filing, the following is a description of the equipment covered:

WALLER, SMITH & PALMER, P.C.

Noreta McGee, Secretary
Page Two
January 5, 1988

Twenty-five (25) Captive Service Open top hopper railroad cars, 70 ton, 2,600 cubic feet capacity, 50° slopes, four pocket, built 1952, new bodies 1971-1973, Car Numbers SONX 1041-1065.

The filing fee of Ten Dollars (\$10.00) is enclosed. Please return the recorded original and any extra copies not needed for recording to:

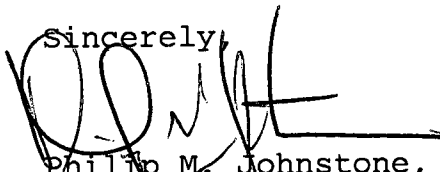
Philip M. Johnstone, Esquire
Waller, Smith & Palmer, P.C.
52 Eugene O'Neill Drive
New London, Connecticut 06320

The following is a short summary to appear in the Index as follows:

Security Agreement dated January 4, 1988 between Soneco Service, Inc., 185 South Road, Groton, Connecticut 06340 ("Grantor/Guarantor"), Aggregates, Inc., Rixtown Road, Griswold, Connecticut 06351 ("Debtor"), and New England Savings Bank, 63 Eugene O'Neill Drive, New London, Connecticut 06320 ("Secured Party"), covering certain equipment and assets, including the following: Twenty-five (25) Captive Service Open top hopper railroad cars, 70 ton, 2,600 cubic feet capacity, 50° slopes, four pocket, built 1952, new bodies 1971-1973, Car Numbers SONX 1041-1065, together with all additions and accessions thereto, replacements therefor, and the products and proceeds thereof.

Thank you very much. If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in dark ink, appearing to be "P. M. Johnstone", written over a horizontal line.

Philip M. Johnstone, for
Waller, Smith & Palmer, P.C.

PMJ:gj

enc

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Phillip M. Johnstone, Esq
Walter, Smith, & Palmer, P.C.
52 Eugene O'Neill Drive
New London, CT 06320

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/11/88 at 3:15PM, and assigned recordation number(s). 15462

Sincerely yours,

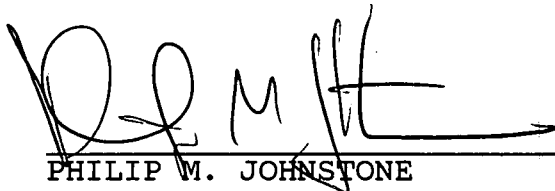
Narita L. McEe
Secretary

Enclosure(s)

AFFIDAVIT

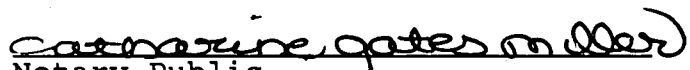
STATE OF CONNECTICUT)
) SS: New London
COUNTY OF NEW LONDON)

I, PHILIP M. JOHNSTONE, of Groton, Connecticut, being first duly sworn, do depose and say as follows: I have compared the attached copy of the Security Agreement dated January 4, 1988, between Soneco Service, Inc., Aggregates, Inc., and New England Savings Bank, with the original Security Agreement and have found the copy to be complete and identical in all respects to the original document.



PHILIP M. JOHNSTONE

Subscribed and sworn to before me this 6th day of January, 1988.



Notary Public

CATHARINE GATES MILLER
NOTARY PUBLIC
My Commission Expires Mar. 31, 1991

JAN 11 1988 - 3 15 PM

INTERSTATE COMMERCE COMMISSION
New London, Connecticut

SECURITY AGREEMENT

In consideration of the loan of \$2,500,000.00, made to AGGREGATES, INC. of Griswold, Connecticut, (hereinafter called the "Debtor") a copy of the promissory note thereof being attached hereto and incorporated herein as Schedule A, which note has been guaranteed by SONECO SERVICES, INC., of 185 South Road, Groton, Connecticut, SONECO SERVICES, INC. (hereinafter called the "Guarantor") hereby grants to NEW ENGLAND SAVINGS BANK of 63 Eugene O'Neill Drive, New London, Connecticut (hereinafter called the "Secured Party"), a security interest in the following property (all of which is hereinafter called the "Collateral"):

(a) twenty-five (25) Open top hopper railroad cars, 70 ton, 2,600 cubic feet capacity, 50° slopes, four pocket, build 1952, new bodies 1971-1973, Car Numbers SONX 1041-1065; and (b) the following described crushing equipment: (i) Universal model 30 X 42 Portable Jaw Crushing Plant, Serial #WRB 29504; (ii) Pioneer model 50 VE-Duplex Crushing Plant with GMC V-12 power unit, Serial # 50-VE-235; (iii) 30" X 50' lattice conveyor; (iv) 42" X 50' lattice conveyor with Ramsey belt scale; and (v) 30" X 100' lattice radial stacking conveyor;

Together with all additions and accessions to the above-described property, as well as replacements therefor, and the products and proceeds thereof: to secure the payment and performance of all indebtedness and obligations now or hereafter owing from the Debtor to the Secured Party of whatever kind or nature (hereinafter sometimes referred to as "Obligations") upon the following terms and conditions:

1. The Guarantor hereby warrants and covenants that, except for normal use, the Collateral will be kept at the following location: 185 South Road, Groton, Connecticut.

2. The names and principal addresses of the Debtor and Guarantor are as set forth above. The Debtor and Guarantor each agree to promptly notify the Secured Party of any change of name or address.

3. The Guarantor hereby warrants and covenants that:

(a) Except for the security interest granted hereby, the Guarantor is the owner of the Collateral free from any prior lien, security interest or encumbrance. The Guarantor will keep the Collateral free from all liens, security interests and encumbrances and will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein. No effective financing statement covering the Collateral or any proceeds thereof is on file in any public office. The Guarantor warrants that it has not during the preceding five (5) years changed its name, been a party to a consolidation or merger, or used any other corporate or fictitious name except as previously disclosed to the Secured Party in writing.

(b) The Guarantor will not sell or otherwise transfer or encumber the Collateral or any interest therein, either voluntarily or involuntarily, without the prior written consent of the Secured Party.

(c) The Guarantor will, upon demand, furnish to the Secured Party such further information, and will execute and deliver to the Secured Party such financing statements, and other instruments or documents, and will do all such acts, as the Secured Party may, at any time or from time to time, reasonably request, or as may be necessary or appropriate, to establish and maintain a valid and

enforceable first security interest of the Secured Party in the Collateral.

(d) The Guarantor will keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as the Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as the Secured Party may approve, which approval may not be unreasonably withheld, losses in all cases to be payable to the Secured Party and the Guarantor "as their interest may appear". All policies of insurance shall provide for at least ten (10) days prior written notice of cancellation to the Secured Party, and the Guarantor shall furnish the Secured Party with certificates of such insurance or other evidence satisfactory to the Secured Party as to compliance with the provisions of this paragraph. The Secured Party may act as attorney-in-fact for the Guarantor in making, adjusting and settling claims under such policies of insurance and/or endorsing the Guarantor's name on any drafts drawn by insurers of the Collateral or any other document to effect collection.

(e) The Guarantor is not a party to any agreement or instrument and is not subject to any charge, order or other restriction materially and adversely affecting its business, properties, assets, operations or condition, financial or otherwise, except as previously disclosed to the Secured Party in writing. The Guarantor will notify the Secured Party in writing promptly upon its learning of any event, condition, litigation, administrative proceeding or other circumstance which may materially and adversely affect the operations, financial conditions or business of

the Guarantor or Secured Party's security interest in the Collateral.

(f) The Guarantor will keep the Collateral in good order and repair, will not waste or destroy the Collateral or any part thereof and will not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. The Secured Party may examine and inspect the Collateral at any reasonable time or times wherever located.

(g) The Guarantor will pay promptly when due all taxes and assessments upon the Collateral or upon the use or operation of the Collateral.

(h) At its option, but without obligation to do so, the Secured Party may discharge taxes, liens, security interest or other encumbrances at any time levied or placed on the Collateral; may place and pay for insurance on the Collateral; may order and pay for the repair, maintenance and preservation of the Collateral. The Guarantor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization, and all such payments and expenses shall bear interest at the highest rate payable on the Obligations of the Debtor to the Secured Party.

EVENTS OF DEFAULT - RIGHTS OF SECURED PARTY

4. Upon the happening of any of the following events or conditions, namely; (i) default in the payment or performance of any of the Obligations or of any of the covenants contained herein or referred to herein or contained in any note evidencing any of the Obligations; (ii) any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Guarantor in connection with this agreement or to induce the Secured Party to make a loan to the Debtor proves to

have been false in any material respect when made or furnished; (iii) death, dissolution, termination of existence or business, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, the Debtor or any guarantor or surety for the Debtor, including the Guarantor; thereupon, or at any time thereafter (such default not having previously been cured), the Secured Party at its option may, without demand, notice or legal process of any kind, declare all of the Obligations to be immediately due and payable and shall then have the remedies of a secured party including, without limitation thereto, the right to take possession of the Collateral, without resort to legal process and without prior notice to the Debtor, and for that purpose the Secured Party may, so far as the Debtor or Guarantor can give authority therefore, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Guarantor will make available to the Secured Party all premises and facilities which the Secured Party may need to take possession of the Collateral, remove the Collateral or put the Collateral into saleable form.

The Secured Party may require the Guarantor to make the Collateral available to the Secured Party at a time and place which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, the Secured Party will give the Guarantor at least five (5) days prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended

disposition (which may include, without limitation, a public sale or lease of all or part of the Collateral) is to be made. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Secured Party's reasonable attorney's fees and legal expenses.

5. No waiver by the Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. No course of dealing shall constitute a modification of this agreement or a waiver of any default. All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of the Debtor and Guarantor shall bind the heirs, legal representatives, successors and assigns of the Debtor and Guarantor, respectively.

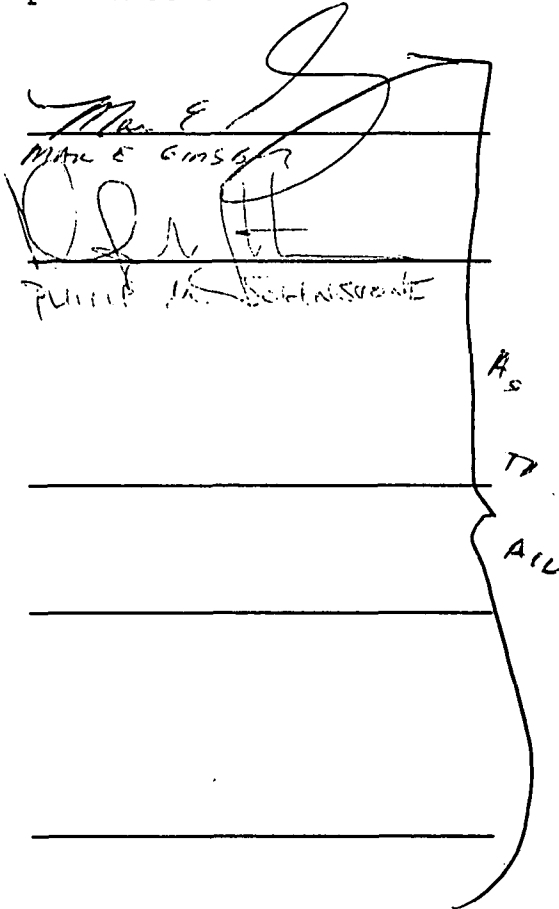
6. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

7. Debtor and Guarantor hereby acknowledge that this agreement and the Obligations secured hereby constitute a commercial transaction. Pursuant to Section 52-278-F of the Connecticut General Statutes, the Debtor and Guarantor each hereby waive and relinquish all rights to notice and hearing as provided in Section 52-278a through Section 52-278g of said Connecticut General Statutes prior to the securing of any prejudgment remedy against Debtor or Guarantor in connection with the Obligation secured by this agreement.


8. The Secured Party may exercise any of its rights created herein or in any other document executed pursuant to its commitment letter with Debtor, Guarantor, and Christopher H. McLaughlin, dated December 17, 1987, separately or together, without regard to the value of any or all of the Collateral and without notice (except as required by law), in the Secured Party's sole discretion.

IN WITNESS WHEREOF, the Debtor, Guarantor and Secured Party have each executed this Agreement this 4th day of January, 1988.

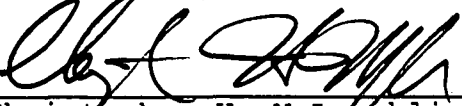
Signed, sealed and delivered in the presence of:


The left side of the page contains several horizontal lines for signatures. The first line has a signature that appears to be "M. E. GINSBERG". The second line has a signature that appears to be "Philip H. Schwaube". A large bracket on the left side of the page groups these lines together. To the right of the bracket, the letters "A", "B", and "A/C" are written vertically.

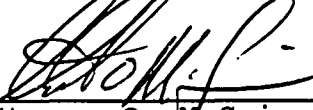
Debtor:
AGGREGATES, INC.

By: 
Gary Gileau, Its President

Guarantor:
SONECO SERVICE, INC.

By: 
Christopher H. McLaughlin,
Its President

Secured Party:
NEW ENGLAND SAVINGS BANK

By: 
Steven O. McGuire
Its Assistant Vice President

STATE OF CONNECTICUT)
COUNTY OF NEW LONDON) SS: New London January 4, 1988

BEFORE ME, the undersigned authority, personally appeared Gary Gileau, who acknowledged himself to be the President of AGGREGATES, INC. and that he, as such, being authorized to do so, executed the foregoing Security

Commissioner of Superior Court
Notary Public

BEFORE ME, the undersigned authority, personally appeared Christopher H. McLaughlin, who acknowledged himself to be the President of SONECO SERVICE, INC. and that he, as such, being authorized to do so, executed the foregoing Security Agreement for the purposes contained therein by signing the name of the Corporation by himself as its President.

BEFORE ME, the undersigned authority, personally appeared Steven O. McGuire, who acknowledged himself to be the Assistant Vice President of NEW ENGLAND SAVINGS BANK and that he, as such, being authorized to do so, executed the foregoing Security Agreement for the purposes contained therein by signing the name of the Corporation by himself as its Assistant Vice President.

Commissioner of Superior Court
Notary Public

SCHEDULE A

VARIABLE INTEREST RATE

COMMERCIAL NOTE

\$2,500.000.00

January 4, 1988

Amt. of Note

Date of Note

I. TERMS OF PAYMENT

FOR VALUE RECEIVED, the undersigned (each individually and all collectively hereinafter called the "Borrower") promise to pay to the order of NEW ENGLAND SAVINGS BANK (hereinafter referred to as the "Bank"; the Bank and any other payee, holder, purchaser, or assignee of this Note are hereinafter referred to as the "Holders"), at any of its offices, the sum of \$2,500.000.00 (hereinafter referred to as the "Principal"), the Principal to be payable, in ninety-five installments of Principal of \$26,000.00 and one installment of \$30,000.00 which installments shall be payable on the first day of each month, commencing February 1, 1988 each of such installments to be accompanied by a payment of interest on the unpaid balance of Principal at the rate of interest set forth below. The final payment of the entire principal balance and accrued interest shall be due and payable January 1, 1996.

The Principal shall bear interest from the date hereof until paid, before or after maturity, whether by acceleration or otherwise at a variable interest rate always equal to one and one-half percent (1.5%) in excess of the Prime Rate as hereafter defined. The term "Prime Rate" shall mean the prime rate of interest of Citibank, N.A. New York ("Citibank") as announced from time to time by said Citibank, provided however, that if the aforesaid Prime Rate of said Bank shall be discontinued or for any

other reason shall not be available for determining the Prime Rate, the Holder shall select a substitute method for determining the Prime Rate and shall notify Borrower of such selection, which selection shall in Holder's estimation, yield results substantially similar to those that would have been yielded had the aforesaid Prime Rate been available.

If any payment is not received by Bank by the fifteenth day of the month, Borrower shall pay a late charge of 5 percent of the monthly installment.

In the event of any default, the interest rate will increase by 2%, during the term of the default.

Borrower shall pay all costs of collection of his Note (which terms shall also include any renewals or extensions hereof) incurred by the Holder, including reasonable attorneys' fees, and court costs (all of the sums which are due or to become due from the Borrower to the Holder hereunder are hereinafter collectively called the "Indebtedness").

II. SECURITY INTEREST

1. The holder hereof shall have a lien on, a security interest in, and, during the existence of an Event of Default (as hereinafter defined), an option to set off, all deposits of the Borrower and any guarantors or endorsers of this Note as allowed by law, at any time, in any checking, savings, or other account with Holder, in any order, against the Indebtedness, although otherwise unmatured, without prior demand or notice, regardless of the adequacy of any collateral securing all or part of the Indebtedness, and without resort to any legal process or judicial proceedings, or other authorization.

III. EVENTS OF DEFAULT; ACCELERATION

Upon failure to make any payment when due, or upon failure to perform any other obligation of the Borrower to

the Holder, or in the event of any proceedings being instituted by or against the Borrower under any laws relating to bankruptcy, insolvency, receivership, or arrangements with creditors, or if the Holder deems itself insecure (each of which is hereinafter called an "Event of Default"), or in the event that title or any interest in the premises mortgaged to secure the indebtedness is transferred to anyone other than the Borrower hereunder, thereupon, or at any time thereafter (such default not having previously been cured), the Holder may, without notice or demand, declare the Indebtedness to be immediately due and payable.

IV. NON-WAIVER BY HOLDER; SEVERABILITY

No modification or amendment hereof shall be effective unless in writing. No extension of time for payment, delay in enforcement hereof, nor any renewal of this Note, whether with or without notice, shall operate as a waiver of any rights hereunder or release or alter the obligations of the Borrower. No failure by Holder to enforce any of its rights hereunder or partial enforcement thereof, shall constitute a waiver thereof, or preclude the subsequent enforcement of such rights in the same or similar circumstances.

In the event that any provision hereof shall be found to be invalid or unenforceable under applicable law, such provision shall be invalid or unenforceable only to that extent and such invalidity or unenforceability shall not affect the remaining provisions of this Note.

V. JOINT AND SEVERAL OBLIGATIONS

This note and all obligations hereunder shall be the joint and several obligations of all makers, and each provision hereof shall apply to each and all jointly and severally.

VI. COMMERCIAL TRANSACTION; WAIVER BY BORROWER

1. Borrower certifies that this is a commercial transaction.

2. Borrower represents and warrants to the Holder that all proceeds of this loan are to be used for commercial purposes, and none of such proceeds shall be used for personal, family, household, or agricultural purposes.

3. Borrower expressly waives all rights under Section 52-278a through 52-278g of the Connecticut General Statutes to any notice or hearing prior to the obtaining by Holder of any prejudgment remedy in connection with this Note, including, without limitation, garnishment, attachment, or replevin against any property owned or possessed by Borrower.

4. Borrower waives presentment, demand, notice of dishonor, and protest of this Note.

VII. PREPAYMENT

Borrower reserves the right to prepay this obligation in whole or in part at any time without penalty.

AGGREGATES, INC.

By: _____
Gary Gileau, its President